



DATE 31 August 2015

ASX Market Announcement Office
ASX Limited
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SYDNEY NSW 2000

UPDATE ON MERGER DISCUSSIONS

As advised to the market on 26 June 2015, Bradken received an approach from a consortium of Sigdo Koppers and CHAMP Private Equity (the "Consortium") regarding a possible merger between Bradken and Sigdo Koppers' wholly-owned subsidiary, the Magotteaux Group.

The parties agreed to work together to review the strategic and financial merits of the potential merger in order to enable the Consortium to put forward a proposal, during a 60 day exclusivity period which expired on 29 August 2015. Following this phase of diligence, Bradken believes that although the merger of the two companies could have some long term opportunities, the near term benefits are less apparent. During this 60 day period the Consortium has not initiated discussions on a possible merger structure or values.

Bradken has been informed by the Consortium that while it remains committed to the project, it is not in a position to provide a proposal to the company at this time. Accordingly, the Independent Board Committee has determined not to extend the exclusivity period any further as requested by the Consortium. The Board has also informed the Consortium that it remains focused on maximising value for its shareholders and will consider any future proposal if the value to shareholders is compelling.

The Company has been the subject of corporate activity for a significant amount of time. This has been a source of distraction for Management and the Board during a volatile period in the external operating environment. The Board believes that the Company now needs to focus all of its resources on completing the restructuring program, growing market share, focusing on debt reduction and managing the Company for the long-term benefit of all shareholders.

The Board believes that the steps taken towards the end of last financial year, including the issue of redeemable preference share (RPS) to the Consortium in June 2015, which provided senior debt relief, well positions the Company to move into this next phase. The RPS will remain in place and are unaffected by any merger proposal outcome.

The Board of Bradken remains focused on shareholder value and returning to profitable growth through recently announced initiatives. Order intake has continued in line with the forecast given at the Full Year Results. The restructuring program is now largely complete and Bradken is well placed to benefit from the considerable actions it has undertaken in this regard.

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About Bradken

Bradken is the leading supplier of differentiated consumable and capital products to the global resources, energy and freight rail industries. The Company employs almost 4,000 people in 34 manufacturing facilities and more than 30 sales and service centres across Australia, New Zealand, USA, Canada, the United Kingdom, Indonesia, Malaysia, South Africa, South America and China. The Company which became a publicly listed company in August 2004 has been in business for over 90 years and operates four market-focused divisions and a separate business.

For further information about Bradken, visit www.bradken.com